



Essential Business Legal Policy Document

Please read this policy carefully and in full to familiarise yourself with the terms and conditions, as well as the:



Legal and tax advice helpline



Business legal services website



Claims procedure.

If you are unsure about anything in this document please contact whoever you purchased your policy from.

Obtain a claim form

To ask for a claim form call us on **0117 917 1698** between 9am and 5pm weekdays (except bank holidays) or go online www.arag.co.uk/newclaims

Telephone helplines

24/7 legal advice on business matters within EU law
0330 303 1460

UK tax advice 9am to 5pm weekdays (except bank holidays) **0330 303 1460**

Business Legal Service

Register today at:

www.araglegal.co.uk and enter the voucher code shown in your policy schedule to access the law guide and download legal documents to help with commercial legal matters.

Main benefits of Essential Business Legal

Cover empowers you to protect your legal rights in the future. With support from ARAG you could be protected from legal costs arising from:

- tax investigations & VAT disputes.

Who is ARAG?

Our UK operation provides a nationwide service from our Bristol Head Office. We are part of ARAG SE, a global leader in legal expenses insurance which generates annual premium income in excess of €1.5 billion.

It has always been our vision to enable everyone, not just those that can afford it, to assert their legal rights. With this aim in mind we provide innovative and affordable products to both companies and their directors and partners.

We are committed to providing our customers with guidance, advice and security, both now and in the future. We recognise that we will only grow by ensuring that we provide excellent products and an outstanding service to our customers..



Important information

Helplines

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if our advisors consider that your helpline usage is becoming excessive they will tell you. If following that warning usage is not reduced to a more reasonable level, we can refuse to accept further calls.

Legal and tax advice 0344 571 7978

If you have a legal or tax problem relating to your business, we recommend you call our confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days a year, and tax advice is available between 9am and 5pm on weekdays (except bank holidays).

The advice covers business-related legal matters within UK and EU law or tax matters within the UK. Your query will be dealt with by a qualified specialist experienced in handling legal and tax-related matters. Use of this service does not constitute reporting of a claim.

'What happens if the insurer cannot meet its liabilities?

AmTrust Europe Limited is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation of up to 90% of the cost of your claim, in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available from the FSCS.

Keeping personal information

We will not keep personal information for any longer than necessary.

Your rights

Any person insured by this policy has a number of rights in relation to how we hold personal data including; the right to a copy of the personal data we hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted. For a full list of privacy rights and when we will not be able to delete personal data please refer to our full privacy statement.

Claims procedure

If you need to make a claim you must notify us as soon as possible.

1. Under no circumstances should you instruct your own solicitor or accountant as the insurer will not pay any costs incurred without our agreement.
2. You can download a claim form by visiting www.arag.co.uk/newclaims or you can request one by telephoning us on **0117 917 1698** between 9am and 5pm Monday to Friday (except bank holidays)
3. Your completed claim form and supporting documentation can be submitted to ARAG by email, post or fax. Further details are set out in the claim form itself. We will send you a written acknowledgement by the end of the next working day after the claim is received.
4. Within five working days of receiving all the information needed to assess the availability of cover under the policy, we will write to you either:
 - a) confirming cover under the terms of your policy and advising you of the next steps to progress your claim; or
 - a) if the claim is not covered, explaining in full the reason why and advising whether we can assist in another way.
5. When a representative is appointed they will try to resolve your dispute without delay, arranging mediation whenever appropriate. Matters cannot always be resolved quickly particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

Privacy Statement

This is a summary of how we collect, use, share and store personal information. To view our full privacy statement, please see our website www.arag.co.uk

Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. We will hold and process this information in accordance with the General Data Protection Regulations.

Should we ask for personal or sensitive information, we undertake that it shall only be used in accordance with our privacy statement.

We may also collect information for other parties such as suppliers we appoint to process the handling of a claim.

Using personal or sensitive information

The reason we collect personal or sensitive information is to fulfil our contractual and regulatory obligations in providing this insurance product, for example to process premium or handle a claim. To fulfil these obligations, we may need to share personal or sensitive information for any purpose other than the purpose for which it was collected. Please refer to our full privacy statement for full details.

Essential Business Legal

This policy is evidence of the contract between **you** and the **insurer**. The policy and schedule shall be read together as one document.

Terms that appear in bold type have special meanings. Please read **Meaning of words & terms** for more information.

Your policy cover

Following an Insured event the insurer will pay **legal costs & expenses** up to the limit of indemnity and aggregate limit specified in the schedule to which this policy attaches for all claims related by time or originating cause including the cost of appeals subject to all the following requirements being met.

1. **You** have paid the insurance premium.
2. The **insured** keeps to the terms of this policy and cooperates fully with **us**.
3. The Insured event arises in connection with the business shown in the schedule and occurs within the **territorial limit**.
4. The claim
 - a. Always has reasonable prospects of success and
 - b. Is reported to **us**
 - i. during the **period of insurance** and
 - ii. as soon as the **insured** first becomes aware of circumstances which could give rise to a claim.
5. Unless there is a conflict of interest, the **insured** always agrees to use the **appointed advisor** chosen by **us** in any claim
 - a. To be heard by the **small claims court** and/or
 - b. before proceedings have been or need to be issued.
6. In respect of any alleged liability to tax or National Insurance Contributions, there must always be a greater than 50% chance of reducing your liability.

A claim is considered to be reported to **us** when **we** have received the **insured's** fully completed claim form.

Insured events covered

1 Tax protection

- a) A formally notified enquiry into **your** tax affairs, or into the personal tax affairs of **your** directors and/or partners.
- b) A dispute about **your** compliance with regulations relating to:
 - i) Value Added Tax, or
 - ii) Pay As You Earn, or
 - iii) Social Security, or
 - iv) National Insurance Contributions, or
 - v) the Construction Industry Scheme, or
 - vi) IR35following a compliance check by HM Revenue & Customs.
- c) An enquiry into **your** tax affairs, or into the personal tax affairs of **your** directors and/or partners, arising from an alleged discovery by HM Revenue & Customs.

Provided that:

- i) all returns are completed and have been submitted within the statutory timescales permitted
- ii) **you** keep proper records in accordance with statutory requirements
- iii) in respect of any appealable matter **you** have requested an Internal Review from HM Revenue & Customs where available.

What is not covered under Insured event 1

Any claim arising from or relating to:

1. tax returns which result in HM Revenue & Customs imposing a penalty or which contain careless and/or deliberate misstatements
2. an investigation by the Fraud Investigation Service of HM Revenue & Customs
3. circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the **insured's** financial arrangements
4. any enquiry that concerns assets, monies or wealth outside of Great Britain and Northern Ireland
5. **your** failure to register for VAT.

What is **not covered** by this policy (applicable to the whole policy)

The **insured** is not covered for any claim arising from or relating to:

1. **legal costs & expenses** or compensation awards incurred without **our** consent
2. any actual or alleged act, omission or dispute happening before, or existing at the start of the policy, and which the **insured** knew or ought reasonably to have known could lead to a claim
3. an allegation against the **insured** involving:
 - a) assault, violence, indecent or obscene materials, dishonesty, malicious falsehood or defamation
 - b) the manufacture, dealing in or use of alcohol, illegal drugs, illegal immigration
 - c) offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences)
4. defending a claim in respect of damages for personal injury, or loss or damage to property owned by the **insured**
5. patents, copyright, passing-off, trade or service marks, registered designs and confidential information
6. a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners
7. franchise or agency agreements
8. a judicial review
9. a dispute with **us**, the **insurer** or the party who arranged this cover not dealt with under Condition 6
10.
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
 - d) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
 - e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, funding, preventing or suppressing terrorist action. If the **insurer** alleges that by reason of this exclusion any liability or loss is not covered by this policy, the burden of proving the contrary shall be upon the **insured**.
11. The payment of fines, penalties or compensation awarded against the **insured** or costs awarded against the **insured** by a court of criminal jurisdiction.

Policy **conditions**

Where the **insurer's** risk is affected by the **insured's** failure to keep to these conditions the **insurer** can cancel **your** policy, refuse a claim or withdraw from an ongoing claim. The **insurer** also reserves the right to claim back **legal costs & expenses** from the **insured** if this happens.

1. The **insured's** responsibilities

An **insured** must:

- a) tell **us** immediately of anything that may make it more costly or difficult for the **appointed advisor** to resolve the claim in **your** favour
- b) cooperate fully with **us**, give the **appointed advisor** any instructions required, and keep them updated with progress of the claim and not hinder them
- c) take reasonable steps to claim back **legal costs & expenses** and, where recovered, pay them to the **insurer**
- d) keep **legal costs & expenses** as low as possible
- e) allow the **insurer** at any time to take over and conduct in the **insured's** name, any claim.

2. Freedom to choose an appointed advisor

- a) In certain circumstances as set out in 2.b) below the **insured** may choose an **appointed advisor**. In all other cases no such right exists and **we** shall choose the **appointed advisor**.
- b) If:
 - i) **we** agree to start proceedings or proceedings are issued against an **insured**, or
 - ii) there is a conflict of interestthe **insured** may choose a qualified **appointed advisor** except where the **insured's** claim is to be dealt with by the **small claims court** where **we** shall always choose the **appointed advisor**.
- c) Where the **insured** wishes to exercise the right to choose, the **insured** must write to **us** with their preferred representative's contact details. Where the **insured** chooses to use their preferred representative, the **insurer** will not pay more than **we** agree to pay a solicitor from **our** panel. (**Our** panel solicitor firms are chosen with care and **we** agree special terms with them including rates which may be lower than those available from other firms.)
- d) If the **insured** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement, or if the **appointed advisor** refuses with good reason to continue acting for an **insured**, cover will end immediately.

3. Consent

- a) The **insured** must agree to **us** having sight of the **appointed advisor's** file relating to the **insured's** claim. The **insured** is considered to have provided consent to **us** or **our** appointed agent to have sight of their file for auditing and quality and cost control purposes.
- b) An **insured** must have **your** agreement to claim under this policy.

4. Settlement

- a) The **insurer** can settle the claim by paying the reasonable value of the **insured's** claim.
- b) The **insured** must not negotiate, settle the claim or agree to pay **legal costs & expenses** without **our** written agreement.
- c) If the **insured** refuses to settle the claim following advice to do so from the **appointed advisor** the **insurer** reserves the right to refuse to pay further **legal costs & expenses**.

5. Barrister's opinion

We may require the **insured** to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of the claim. If the opinion supports the **insured**, then the **insurer** will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then the **insurer** will pay for a final opinion which shall be binding on the **insured** and **us**. This does not affect the **insured's** right under Condition 6 below.

6. Arbitration

If any dispute between the **insured** and **us** arises from this policy, the **insured** can make a complaint to **us** as described on the back page of this policy and **we** will try to resolve the matter. If **we** are unable to satisfy the **insured's** concerns and the matter can be dealt with by the Financial Ombudsman Service the **insured** can ask them to arbitrate over the complaint.

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.

If we fail to agree on a suitable person to arbitrate the matter **we** will ask the President of the relevant Law Society to nominate. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

7. Other insurance

The **insurer** will not pay more than their fair share (rateable proportion) for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.

8. Fraudulent claims and claims tainted by dishonesty

- a) If the **insured** makes any claim which is fraudulent or false, the policy shall become void and all benefit under it will be lost.
- b) An **insured** shall at all times be entirely truthful and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of the claim, it appears that the **insured** has breached this condition and that the breach has:
 - i) affected **our** assessment of **reasonable prospects of success**, and/or
 - ii) prejudiced any part the outcome of the **insured's** claimthe **insurer** shall have no liability for **legal costs & expenses**

9. Cancellation

- a) **You** may cancel the policy by giving **us** at least 21 days written notice and the **insurer** will refund the premium for the unexpired period unless a claim has been or is later accepted by **us** in which case no return of premium shall be allowed.
- b) Where there is a valid reason for doing so, the **insurer** has the right to cancel the policy at any time by giving at least 21 days written notice to **you**.

The **insurer** will refund the premium for the unexpired term. **We** will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:

- i) where the party claiming under this policy fails to co-operate with or provide information to **us** or the **appointed advisor** in a way that materially affects **our** ability to process a claim, or **our** ability to defend the **insurer's** interests,
 - ii) where the **insured** uses threatening or abusive behaviour or language, or intimidates or bullies **our** staff or suppliers,
 - iii) where **we** reasonably suspect fraud.
- c) The **insurer** may also cancel the policy and refund the premium for the unexpired period if at any time **you**
 - i) enter into a voluntary arrangement or a deed of arrangement
 - ii) become bankrupt, are placed into administration, receivership or liquidation
 - iii) have **your** affairs or property in the care or control of a receiver or administrator.

The **insurer** also reserves the right to withdraw from any claim.

10. Acts of parliament, statutory instruments, civil procedure rules & jurisdiction

All legal instruments and rules referred to within the policy shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement legislation. This policy will be governed by English law.

11. Contracts (Rights of Third Parties) Act 1999

A person who is not an **insured** under this contract has no right to enforce the terms and conditions of this policy under the Contracts (Rights of Third Parties) Act 1999.

Meaning of Words & Terms

Certain words and terms contained in this policy have been defined as they have the same meaning wherever they appear.

Appointed advisor

The solicitor, accountant, mediator or other advisor appointed by **us** to act on behalf of the **insured**.

Employee

A worker who has or alleges they have entered into a contract of service with **you**.

Insured

1. **You, your** directors, partners, managers, officers and **employees** of **your** business.
2. The estate, heirs, legal representatives or assigns of any persons mentioned in 1. in the event of such person dying.
3. A person declared to **us**, who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your** other **employees** and who performs work under **your** supervision.

Insurer

AmTrust Europe Limited.

Legal costs & expenses

1. Reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on the standard basis and agreed in advance by **us**. The term "standard basis" can be found within the Courts' Civil Procedure Rules Part 44.
2. In civil claims, other side's costs, fees and disbursements where the **insured** has been ordered to pay them or pays them with **our** agreement.
3. Reasonable accountancy fees reasonably incurred under Insured event 1 Tax by the **appointed advisor** and agreed by **us** in advance.

Period of insurance

The period shown in the schedule to which this policy attaches.

Reasonable prospects of success

1. Other than as set out in 2. and 3. below, a greater than 50% chance of the **insured** successfully pursuing or defending the claim and, if the **insured** is seeking damages or compensation, a greater than 50% chance of enforcing any judgment that might be obtained.
2. In criminal prosecution claims where the **insured**
 - a) pleads guilty, a greater than 50% chance of reducing any sentence or fine or
 - b) pleads not guilty, a greater than 50% chance of that plea being accepted by the court.
3. In all claims involving an appeal, a greater than 50% chance of the **insured** being successful.

Where it has been determined that **reasonable prospects of success** do not exist, the **insured** shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.

Small claims court

A court in England & Wales that hears a claim falling under the small claims track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999; a court in Scotland that uses the simple claims procedure as set out by the Courts Reform (Scotland) Act 2014, a court in Northern Ireland where the sum in dispute is less than £3,000 or the equivalent jurisdiction in the United Kingdom where the policy applies.

Territorial limit

The United Kingdom, Channel Islands and the Isle of Man.

We/Us/Our

ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the **insurer**, AmTrust Europe Limited.

You/Your

The business named in the schedule, including any subsidiary and/or associated companies declared to **us**.

Signed by




Managing Director of ARAG plc


How we handle complaints


Step 1

ARAG is committed to providing a first class service at all times. However, if a complaint arises, this should be addressed to our Customer Relations Department who will arrange to have it reviewed at the appropriate level.

We can be reached in the following ways:


 **0117 917 1561** (hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays, for our mutual protection and training purposes, calls may be recorded).

 **customerrelations@arag.co.uk**


 **ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN**

Step 2

If a complaint remains unresolved you can refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. The FOS can normally deal with complaints from small businesses with an annual turnover of less than €2 million. They can be contacted at:

 **0800 023 4567 if calling from a landline or 0300 123 9123 if calling from a mobile**

 **complaint.info@financial-ombudsman.org.uk**

 **Financial Ombudsman Service, Exchange Tower, London, E14 9SR**

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find out more information on the Financial Ombudsman Service at www.financial-ombudsman.org.uk

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.

ARAG plc is registered in England number 02585818. Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN. ARAG is authorised and regulated by the Financial Conduct Authority firm registration number 452369. AmTrust Europe Limited is authorised and regulated by the Financial Conduct Authority and Prudential Regulation Authority. This can be checked by visiting the FCA website at www.fca.org.uk/register or by contacting the FCA on 0800 111 6768 (freephone), or 0300 500 8082.

ARAG plc and AmTrust Europe Limited are covered by the Financial Ombudsman Service.

www.arag.co.uk

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